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Murray, Gillian

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Gillian Murray*, *Glasgow Caledonian University, UK*
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Abstract

The force and coherency with which Margaret Thatcher and her inner circle outlined their vision for 'enterprise culture', like so many aspects of Thatcherism, have masked the complexity of its origins and the histories of alternative responses. This article provides a history of an alternative vision for enterprise culture by examining the community business movement in Scotland, the largest experiment of its kind in the UK in the 1980s and a forerunner of social enterprise. Working across Scotland, but with a hub of activity in the Strathclyde region, practitioners worked with local people to find ways to develop their neighbourhood economy while improving their environment, creating jobs, and developing services needed in their area. This article outlines the origins of the movement, the shared values of its founding members, and how their training in community development informed the community business model. It analyses how practitioners put their ideas into practice and the reasons behind the fragmentation of the movement in the 1990s. It argues that although at face value the concept of community business may appear to chime with the dominant political rhetoric of Thatcher's 'enterprise culture', the history of the movement provides a signpost to an alternative, if unrealised, vision for Scotland's recovery from social and economic depression. Where previous historical research has focused on the political consequences of Thatcher's policies in Scotland, this research connects this discussion to the transformation of Scotland's civic society in the wake of deindustrialization.

The force and coherency with which Margaret Thatcher and her inner circle outlined their vision for 'enterprise culture', like so many aspects of Thatcherism, have masked the complexity of its origins and the

*   gillian.murray2@gcu.ac.uk

histories of alternative responses.[1] Thatcher outlined her vision for enterprise culture in a set of speeches in the mid-1980s, where the promotion of self-employment and flexible working was set alongside 'smashing unnecessary bureaucracy and red tape'.[2] However, the Thatcherite vision of an enterprise culture can be placed alongside a broad trend, apparent from the mid-1970s, to replace institutions based around 'development' with a new infrastructure based on 'enterprise'.[3] Moreover, recent reinterpretations of popular individualism in the 1970s have complicated the 'rise and decline' narrative of social democracy and suggested that the rise of community action and initiatives around worker participation provides evidence of 'left-wing responses to growing demands for autonomy and control'.[4] This article explores one such example by studying the community business movement in Scotland, the largest experiment of its kind in the UK in the 1980s. It reveals an approach to enterprise, shaped by collectivism and strong links with local authorities and motivated by a commitment to the practice of community development as an illuminative counterpoint to Thatcher's enterprise vision. This article explores how and why community business developed in Scotland at this time and how it encountered and grappled with its Thatcherite counterpart and offers a route to reinterpret its legacy.

Scotland's experience of deindustrialization and the resulting social and economic depression of the late twentieth-century underpins why a group of practitioners steeped in ideas of mutualism and co-operation would begin to promote enterprise as a vehicle for social change. Unemployment levels in Scotland rose from 4.6 per cent in 1973 to 8 per cent in 1979,[5] in comparison to UK national averages of 2.7 and 5.7 per cent respectively.[6] Community workers argued that in the neighbourhoods where community businesses were generally established rates were far higher, between 30 and 50 per cent.[7] The country's narrow industrial base had been cited as a point of economic vulnerability

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[1] Ben Jackson and Robert Saunders, eds, *Making Thatcher's Britain* (Cambridge, 2012); Russell Keat and Nicholas Abercrombie, eds, *Enterprise Culture* (London, 1991).

[2] *The Times*, 4 June 1986, 2.

[3] Ewen A. Cameron, *Impaled upon a Thistle: Scotland since 1880* (Edinburgh, 2010), 247–8.

[4] Emily Robinson, Camilla Schofield, Florence Sutcliffe-Braithwaite, Natalie Thomlinson, 'Telling Stories about Post-War Britain: Popular Individualism and the ''Crisis'' of the 1970s', *Twentieth Century British History*, 28 (2017), 304.

[5] David Stewart, *The Path to Devolution and Change* (New York, NY, 2010), 27.

[6] Robert Price and George Sayers Bain, 'The Labour Force', in A. H. Halsay, ed., *British Social Trends since 1900: A Guide to the Changing Social Structure of Britain* (London, 1988), 174.

[7] The Archive Centre, Glasgow Caledonian University (AC GCU), Social Enterprise Collection (Scotland), SECS/JP/2/2/1/1/005, *The Development of Community Businesses in Scotland, A Funding Proposal Submitted to the European Economic Community by Community Business Scotland* (1981), 1.

during the depression of the 1930s.[8] In the 1970s and 1980s, it was not only the loss of jobs in heavy industry—mining, shipbuilding, and steel—that caused unemployment but also the loss of long-term and large-scale multinational employers that began to move their operations elsewhere.[9] Thatcher's policies compounded the negative effects of these trends, while also launching an attack on social housing and the public sector.[10] As historian David Stewart has argued, the effects of Thatcherism were felt most severely among the Scottish working class, but Thatcher's lack of sympathy also alienated the Scottish middle class.[11] It appeared that the era of large-scale operations providing mass employment was at an end. In this moment small-scale enterprises that served the needs of their local economy and offered a platform for sustainable employment appealed to local authorities, activists, and communities alike. This was the environment that prompted a group of community development professionals to adapt their practice to alleviate the worst effects of mass unemployment.

This group identified 'enterprise' as a valuable tool in the country's recovery, but it was conceptualized in different terms to Thatcher. Beginning to recover a history of the community business movement in Scotland contributes to a growing historical literature that highlights the tensions and contradictions of neo-liberalism to question its success.[12] Oral history work revisiting Scottish mining communities has emphasized the deep 'cultural scars' left by the effects of deindustrial-ization[13] and connected the slow recovery of these towns to a rise in Nationalism and support for devolution.[14] This article argues that alongside this political history there is a need to develop a social history examining how communities attempted to recover from the social and economic depression of the late twentieth century, the visions of the future that they generated, and how they changed Scotland in the process. As historian Jim Tomlinson has recently argued, the experience of deindustrialization 'conveys a hugely important truth about post-war Britain' that historians are only beginning to research.[15] Community

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[8] Cameron, *Impaled upon a Thistle*, 131–5.

[9] Neil Hood and Stephen Young, *Multinationals in Retreat: The Scottish Experience* (Edinburgh, 1982), 51–4, 61, 141–3.

[10] Stewart, *The Path to Devolution and Change*, 226, 227.

[11] Stewart, *The Path to Devolution and Change*, 44, 45.

[12] Jim Tomlinson, 'De-industrialisation Not Decline: A New Meta-Narrative for Post-War British History', *Twentieth Century British History*, 27 (2016), 76–99; Sam Wetherell, 'Freedom Planned: Enterprise Zones and Urban Non-Planning in Post-War Britain, *Twentieth Century British History*, 27 (2016), 226–89.

[13] Andrew Perchard, '"Broken Men" and "Thatcher's Children": Memory and Legacy in Scotland's Coalfields', *International Labor and Working-Class History*, 84 (2013), 78–98.

[14] Jim Phillips, *The Industrial Politics of Devolution: Scotland in the 1960s and 1970s* (Manchester, 2008).

[15] Tomlinson, 'De-industrialisation Not Decline', 88.

business in Scotland has been recognized by geographers as the largest social enterprise programme in the UK, whose practice was highly regarded in social economy innovation.[16] The analysis presented here is based on extensive archival research using the John Pearce Collection held by Glasgow Caledonian University and oral histories recorded with ten of his contemporaries.[17] It uncovers the influence of the community business movement in the reconfiguring of Scottish civil society in the wake of deindustrialization, in which trade union efforts to save long-standing industries were eclipsed by voluntary and community groups tackling long-term unemployment.

This article provides a history of this alternative vision for enterprise culture and is organized into three sections. The first outlines the origins of the community business movement, analysing the shared values and visions of its founding members, and how their training and experience in community development informed the community business model. It provides points of comparison between community business and Thatcher's enterprise culture and the fault lines of the former's alternative vision. The middle section examines how the practitioners put their ideas into practice. It shows their successes in capturing the zeitgeist for community action, but the challenges in consistently achieving appropriate funding, and building a comprehensive infrastructure to support their work. A detailed analyses of the support received in setting up a community business is provided to further examine what was distinctive about the movement's practice and its effects on communities hit hard by the recession. The final section examines the reasons behind the fragmentation of the movement in the 1990s. It compares the fates of three community businesses to provide a comparison of the different approaches to dealing with the challenges that the movement faced at this time. It closes by reflecting on why the community business movement did not benefit from New Labour's promotion of the Third Sector, part of the Party's celebration of the inclusion of market practices in state and voluntary action.

Vision and Values: The Origins of Community Business in Scotland

Drawing on the UK-wide revival of the co-operative movement in the 1970s, a group of community development workers began to build a movement around what would become known as community

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[16] Ash Amin, Angus Cameron, and Ray Hudson, *Placing the Social Economy* (London, 2002).

[17] John Pearce was considered a pioneer of community business in Scotland and donated his personal papers to GCU in 2010. His donation forms part of the Social Enterprise Collection (Scotland).

business.[18] This section outlines the relevance of the revival of interest in co-operation in the 1970s to the origins of the community business movement, how community business pioneers pushed the boundaries of community development, and how they attempted to distinguish their vision from Thatcher's enterprise culture.

In assessing their own history, community business practitioners have cited the co-operative movement as an important precursor to their activities.[19] Their aim to trade in a way that contributed to social good meant they identified with the Rochdale Pioneers of the nineteenth century, who used their co-operative society to open shops that stocked fairly priced and good quality provisions. Members of the community business movement had been active in the revival of interest in co-operation in the 1970s. For example, one of the movement's pioneers, John Pearce, was a member of the Industrial Common Ownership Movement (ICOM est. 1971) and was for a time chair of its funding wing Industrial Common Ownership Finance (ICOF est. 1973). ICOM and ICOF provided a valuable network and source of funding for companies seeking to convert to co-operative working or establish workers' co-operatives in the 1970s. The Industrial Common Ownership Act (1976) provided ICOM with a grant of £20,000 per year for 5 years to support the development of workers' cooperatives. As a result, the Scottish Co-operative Development Committee (SCDC) was formed in 1977, of which Pearce was a founding member. This national funding was not continued by Margaret Thatcher's Conservative government in 1981. However, some local authorities, notably in London and the West Midlands, did continue to support the movement, an indication that the co-operative model was not part of Thatcher's vision for an enterprise culture, but that alternative enterprise practices developed locally.

Community business was first put into practice through a hub of community development experiments in the Strathclyde region. These drew directly from the community co-operatives scheme funded by the Highlands and Islands Development Board in 1976, which had been inspired by a similar scheme in Northern Ireland.[20] The Strathclyde Region was home to 2.5 million people, nearly half of the Scottish

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[18] Although examples of community businesses could be found across the UK and practitioners visited and shared their learning across these sites, this article focuses on the distinct trajectory of the Scottish experiment, because of the unique funding it received and relationship with Scottish local authorities.

[19] John Pearce, *Social Enterprise in Anytown* (London, 2003), 60–72; Steve Wyler, *A History of Community Asset Ownership*, Development Trusts Association (London, 2009); Social Value Lab, *Social Enterprise in Scotland: Census 2015*, <socialfirms.org.uk/wp-content/uploads/2015/09/census-final.pdf> accessed 4 September 2016.

[20] John Pearce, *At The Heart of the Community Economy: Community Enterprise in a Changing World* (London, 1993), 5, 6.

population. Community development became an important aspect of the policy and practice of the newly created Strathclyde Regional Council (SRC) in the mid-1970s, as it grappled with how to tackle mass unemployment and increasing deprivation. At the peak of UK unemployment in the summer of 1986, 3.13 million people were out of work, with 358,988 of this total in Scotland. The Strathclyde region had the highest numbers of unemployed in Scotland at 17.8 per cent.[21] Ferguslie Park, Paisley, had been the site of the only Community Development Project (CDP) initiated by the Wilson government—and funded by the Home Office from 1969—based in Scotland. Geographically isolated from the other eleven projects it concentrated on neighbourhood development.[22] Reflecting on the policy documents that had come out of earlier community development work, in the mid-1970s, SRCs were sceptical about the level of change that could be achieved. Nevertheless the scale and concentration of social deprivation in the Region, the influence of key individuals who were committed to address these problems in co-operation with the community, and the confidence of a Labour-led council with a secure power base meant they were ideologically committed to a community development strategy.[23]

Some of the community development learning that SRC drew upon also came from individuals with experience of community development work in England. John Pearce had been recruited in 1972 to run one of twelve CDPs, in Cleator Moor (West Cumbria, England). Moving to Scotland in 1976 when the CDP project ended, he took with him an understanding that poverty not the poor themselves fuelled 'multiple deprivation'.[24] Pearce began to develop projects that looked beyond the workers' co-operative model, which generally tried to save jobs and stop workers becoming unemployed, to address the needs of the long-term unemployed. Backed by the Local Government Unit at Paisley College, a 'think tank' for community development in the region[25] and the Govan Area Resource Centre, Pearce started working on the Local Enterprise Advisory Project (LEAP) in 1978. Pearce's role was funded by an Urban Aid grant and operated in Strathclyde. His job was to 'work in a selected number of deprived neighbourhoods and explore alternative ways of creating lasting jobs',[26] by assisting 'local groups in

[21] Stewart, *The Path to Devolution and Change*, 63.
[22] Alan Barr, *Practicing Community Development: Experience in Strathclyde* (London, 1984), 6.
[23] Barr, *Practicing Community Development*, 3–22.
[24] Community Development Project. *Gilding the Ghetto: The State and the Poverty Experiments* (London, 1977).
[25] Barr, *Practicing Community Development*, 7.
[26] Alan McGregor et al., *An Evaluation of Community Business in Scotland* (Glasgow, 1988), 3.

creating self-help initiatives'.[27] This work alongside discussions at conferences and community groups led Pearce and others to search for a community development approach to the unemployment crisis.[28] For Pearce and those he worked with, collectively organized businesses provided the solution to a range of complex social and economic problems.

Community business married Pearce's work in community development and interest in co-operative working but tried to push this further into economic self-sufficiency for vulnerable communities. For community development workers to begin to engage with enterprise broke a major taboo, because it was perceived to cross the line from public sector work into work for private gain. From a public sector perspective, trading practices and the pursuit of profit were potentially exploitive. Meanwhile, local traders protested that public funds were being used to set up potentially viable businesses.[29] The following quote provides a descriptive definition of a community business:

> A community business is a trading organisation which is set up, owned and controlled by the local community and which aims to create ultimately self-supporting jobs for local people and to be a focus for local development. Any profits made from its business activities go either to create more employment or provide local services or to assist other schemes of community benefit.[30]

The aim for the businesses to be controlled by the community and become self-supporting, rather than state funded, set the groups' ambitions apart from other community development initiatives. The requirement for any profits generated from trading activities to be used for community benefit set them apart from small, private traders.

Like voluntary organizations, individual community businesses evolved in reaction to the changing circumstances around them, which means very few organizations fit the purest definitions.[31] What distinguished community business from private enterprise, where ownership and control are conferred to shareholders and partners, was that in a community business ownership was vested in the membership of the business. Membership was secured on the basis of a small fee, typically £1, and encouraged from a geographical community or a

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[27] Glen Buchanan, *Little Pockets of Hope: The Establishment of Govan Workspace, a Community Business in Glasgow,* (Paisley, 1984), 14.

[28] Buchanan, *Little Pockets of Hope*, 14.

[29] Keith Hayton, 'Delivering promises? the rise, fall and rise of Scottish community business', *Scottish Affairs*, 19 (1997), 92–120.

[30] Buchanan, *Little Pockets of Hope*, ii.

[31] Jeremy Kendall and Martin R. J. Knapp, '*A Loose and Baggy Monster: Boundaries, Definitions and Typologies*', in Rodney Hedley, Justin Davis Smith, and Colin Rochester, eds, *Introduction to the Voluntary Sector* (London, 1994), 66–95.

community of interest. It is this form of membership that also distinguished community businesses from co-operatives. Where co-operatives could involve a significant financial investment from shareholder owners, the membership fees of community businesses were always nominal.[32] There is some evidence to suggest that as the movement gained momentum and gained expertise in accessing Urban Aid funding that some organizations began to use the label community business to access these funds when they were more accurately defined as charitable organizations, and that likewise some profitable community businesses became private enterprises.[33]

Although community businesses aspired to fund their activities through trade in reality around half of those operating between 1980 and 1986 received Urban Aid funding. In total this amounted to £4.2 million over this 6-year period. Urban Aid was a regeneration fund provided by the UK Government. Strathclyde Community Business (SCB) established in 1984 was set up to provide advice on funding, access to training, and practical help in developing business ideas. It also administered a block grant of Urban Aid funds to individual enterprises on behalf of SRC and Glasgow District Council.[34] A contemporary evaluation also found that almost half received smaller amounts of grant aid from local authorities and estimated that for every £1 of public sector cash going into community business, another £1 was raised though sales.[35]

Outside the Strathclyde Region, Community Enterprise Development Units were set up in eight out of nine Scottish regions; there was no unit in the Scottish Borders. By 1993 the units employed 100 staff between them and held a total budget of nearly £5 million.[36] They operated on a similar basis to SCB but on a smaller scale, providing advice on legal and constitutional issues, development staff to work alongside local groups, custom-built training courses, and small-scale financial support that could be tapped quickly and flexibly.[37] These units were an important part of the infrastructure of community business in Scotland. Community Enterprise in Scotland (based in Glasgow) and Community Enterprise (based in Livingston, West Lothian) can trace their origins back to these units. However, others shut down during the reorganization of Urban Aid and the restructuring of local authorities in the mid-1990s. Regional social enterprise support in Scotland is now provided by Senscot established in 1999.

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[32] McGregor et al., *An Evaluation of Community Business in Scotland*, 2, 3.
[33] Hayton, *Delivering Promises?*, 106.
[34] McGregor et al., *An Evaluation of Community Business in Scotland*, 5.
[35] McGregor et al., *An Evaluation of Community Business in Scotland*, i, ii.
[36] Hayton, *Delivering Promises?*, 100.
[37] McGregor et al., *An Evaluation of Community Business in Scotland*, viii.

Directories and annual reports suggest that between 1981 and 1984 numbers grew from 10 to 35.[38] In 1986, it was estimated that sixty-seven community businesses were trading, with an additional twenty-one community co-operatives in the Highlands and Islands.[39] An evaluation of community business in 1993 identified ninety-nine trading community businesses in Scotland.[40] This growth is comparable with other types of alternative enterprise in Scotland, and the number of workers co-ops rose from fifteen in 1979 to ninety in 1987.[41] The *Directory of Community Businesses in Strathclyde Region* for 1986 provides insight into the kinds of businesses and jobs created. Fourteen of the thirty-two community businesses listed had workspace elements, providing space, training, and support to set up small businesses. Workspaces were highly innovative at this time and will be discussed in more detail in later sections. Also highly prevalent were businesses based around security services, cleaning, home-knit production, gardening and building work, and printing services. These were all trading enterprises that were low cost to set up, made use of existing skills in the community, and provided local services in areas where the local economic activity was low.[42] The investment and infrastructure supporting collective responses to unemployment through trade and enterprise in collaboration with local authorities are indicative of the transformative experience of mass unemployment and how it forged new ways of working between state, voluntary, and community groups.

Where Thatcher's enterprise culture sought to reinvigorate the private sector whose spirit had been quashed by an overreaching and overbearing state, the work of Pearce and his colleagues exposes the fallacy of a simple public versus private dichotomy that Thatcherism sought to present and exploit. They worked in areas where there was an absence of any market-driven local economy, and the state was failing to meet people's basic needs, but contrary to the logic of neoliberalism advocated the need for the market and the state to work together to actively address poverty. The community business movement saw themselves as an active part of social democracy, rather than a mechanism to replace it. They had a fundamentally different understanding of poverty and the poor, and the roles of market and state, from Thatcher, which underpinned their enterprise vision.

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[38] AC GCU, Social Enterprise Collection (Scotland), SECS/JP/2/2/1/2/003, *Community Business Scotland 3 Years on 1984 Report* (1984), 15.

[39] McGregor et al., *An Evaluation of Community Business in Scotland*, 3, 4.

[40] Keith Hayton, Ivan Turock, Joan Gordon, and John Gray, *Community Business in Scotland: A Final Report Submitted to Scottish Local Authorities and Scottish Enterprise National* (Strathclyde, 1993), 38.

[41] McGregor et al., *An Evaluation of Community Business in Scotland*, 4.

[42] AC GCU, Social Enterprise Collection (Scotland), SECS/JP/2/2/1/2/059, *Directory of Community Business in Strathclyde Region* (1986).

However practitioners were acutely aware that this distinction could be difficult to communicate.

In 1993, John Pearce wrote that the name community business had been a compromise over their preferred term 'community enterprise'. Upon hearing that Jim Prior, Thatcher's Secretary of State for Employment, had adopted the name 'community enterprise programme' for a temporary employment scheme, Pearce and his colleagues immediately changed the term they had been using.[43] The necessity to distance their practice from Thatcherism was also apparent in practitioners' oral history testimony. For example, Colin Roxburgh retold an anecdote about government officials visiting community businesses as the success of the movement grew, and they became an example of how community work could alleviate the worst effects of economic recession. He explained how the emissaries were not sure if their work represented a vanguard of communism or the epitome of Thatcher's enterprise culture:

> Probably in about '84/'85 we had an emissary from Downing Street come up to look at what we were doing...I remember taking them out to Possil and showing them what we were doing there and coming away very, very perplexed. They said on their way out, they said 'this is fantastic but we're not sure if it's Capitalism or Thatcherism or Communism'. They couldn't work it out. They were definitely perplexed.[44]

The retelling of this anecdote highlights Roxburgh's awareness of the tensions that evoking a co-operative model of enterprise could provoke. Although they took up positions at opposite ends of the political spectrum, in putting their ideas into practice in the 1980s, the community business movement would encounter and have to grapple with Tory enterprise culture in various forms. Fundings through the Urban Aid and Manpower Services Commission (MSC) schemes, such as the Community Programme, were valuable sources of capital for some nascent community businesses. Dealing with the ever-shifting funding landscape of job creation schemes and enterprise programmes became increasingly difficult to manage while maintaining mutual values.

Practice: A Community Approach to Economic Development

In their oral histories, community workers Alan Tuffs and Colin Roxburgh reflected the sense of possibility in the late 1970s and early

[43] Pearce, *At the Heart of the Community Economy*, 31.
[44] Colin Roxburgh interviews with author, GCU, Glasgow, 1 December 2015.

1980s, even in the face of social and economic depression. For Tuffs, community meetings were 'part of the zeitgeist of the time', explaining: 'people were receptive to the idea of communities getting together to tackle some of the issues raised by large-scale unemployment and disadvantage'.[45] Tuffs retelling of his experience of this time resonates with analysis of the 1970s as a time where personal liberation was finding collective expressions.[46] Nevertheless, for all their optimism, practical experience of community youth work and development work meant that those drawn into the movement knew that communities did not just need jobs but needed the know-how and confidence to do a job.[47] This section investigates at the practice of community business in more detail and the multifunctional model they attempted to develop in the organizations they established. It also looks at the types of funding they secured and the challenges this created. Finally it evaluates one community business in detail to provide an analysis of the support they provided to members of the community looking to set up new businesses.

Community businesses were frequently not just individual organizations but support systems. For example, Ferguslie Park Community Holdings (Paisley) was an umbrella company that supported several trading initiatives, including a workspace, a company that provided stone cleaning and restoration services, and a hairdresser's shop. The Holding company was regulated by a community board, and community business practitioners provided support for community members who were interested in starting small businesses, which were limited by guarantee. This included help to access funding and training. The aim was not only to provide jobs but to 'regenerate the Ferguslie local economy and environment'.[48] This was comparable to Possil Community Business Ltd and Barrowfield Community Business. All these initiatives had businesses that repaired local housing, manufactured gates, provided security services, and/or provided gardening services. The precise mix of companies reflected the people involved and the skills that could be drawn upon.

Temporary job creation schemes were also used by a number of community businesses. However, discussing their lobbying activities in a report from 1984, community business practitioners complained that the MSC had designed the Community Enterprise Programme and its successor the Community Programme 'to prevent groups converting temporary jobs into permanent ones', because they were prohibited

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[45] Alan Tuffs interviews with author, West Calder, 23 February 2016.
[46] Emily Robinson et al., 'Telling Stories about Post-War Britain', 278.
[47] Colin Roxburgh interviews with author, GCU, Glasgow, 1 December 2015.
[48] AC GCU, Social Enterprise Collection (Scotland), SECS/JP/2/2/1/2/007, *Strathclyde Community Business Limited, Annual Report* (1985/1986).

from reinvesting profits generated from MSC schemes.[49] This conflict of interest was expressed more clearly by Alan Tuffs. While large-scale government initiatives felt productive and easy to work with at first, as the years progressed practitioners felt they were more restrictive. In 1983, Alan Tuffs, a trained architect, drew up plans to convert derelict co-op buildings in West Calder (West Lothian) for use as workspaces. He worked closely with John Pearce on this project first as a volunteer and eventually as the salaried manager of West Calder Workspace:

> We were successful in getting money from something called Voluntary Projects Programme, which was a subset of the Manpower Services Commission…I remember that the target, we had £30,000 a year, which in 1985 sounded like quite a lot of money and our target, the target that we were set by Manpower Services Commission was that we should get six people into full-time employment, either self-employed or whatever in a year, because at that time they recognised or they reckoned that it cost £5,000 a year to keep somebody on the dole. Therefore if we got six people off the dole and into employment we were paying for ourselves. The lesson of course is that targets diminished, diminished, and diminished, so that over the years, by the fourth year of that funding we still had £30,000, but we had to get 30 people into employment rather than six. So meeting those targets became even more and more onerous and difficult.

It is at this point that the alternative vision of enterprise culture as set in motion by the community business movement came into conflict with the Thatcherite vision. The Thatcher government aimed to encourage enterprise to reduce state expenditure, based on their view of a new welfare consensus.[50] However the community business movement saw their practice along social democratic lines and therefore running alongside and complementing the work of the state. Practitioners were caught between recognizing the limitations of their work and scaling up their practice to capture available funds.

Despite the tensions around funding, the community business practitioners felt that they had provided meaningful support to community members. The experience of Susan McGinlay, a founding member of an industrial cleaning company, Kleencare, established in 1985, supports this claim. The company was based in Possilpark, North Glasgow. A Vocational Training Programme was used to train McGinlay and four others in industrial and domestic cleaning, and they started

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[49] AC GCU, Social Enterprise Collection (Scotland), SECS/JP/2/2/1/2/003, *Community Business Scotland 3 Years on 1984 Report* (1984), 8.

[50] Jochen Clasen, 'Towards a New Welfare State or Reverting to Type? Some Major Trends in British Social Policy since the Early 1980s', *The European Legacy*, 8 (2003), 574.

trading later that year. McGinlay described the process in an oral
history interview:

> We had quite a few interviews with different people within
> Strathclyde Community Business to see if it was a viable
> idea…They felt we were quite committed in going in with Possil
> Community Business. It seemed logical for the north of the city and
> that's how we started…We did training at the college. We went and
> got some skills, some additional skills. Practical, sensible help. You
> think I will go and clean a house, but there's certain criteria that has
> got to be met and that was a really great turning point for us. I think
> we also, we started to get a real sense of worth. You felt this is
> actually going to happen.[51]

The sense of worth described by Susan resonates with the self-help
aspirations of the time. It shows how the support and training she
received through SCB helped give her confidence to start the business.
Starting Kleencare also provided her family with valuable income
because her husband's poor health meant he was unable to work. Susan
left Kleencare in 1987 to become the first Commercial Manager of Possil
Community Business. In an interview printed in the SCB annual report
for 1986/1987, she discussed how important it was for Community
Business boards to understand the philosophy of community business,
saying: 'it's not about self-interest, but community benefit'.[52] This belief
shaped Susan's approach to the practice of community business
throughout her long career, she reflected:

> A lot of the people that worked with us went on to do their own
> things, so you enabled a lot of people… To my mind it was such a
> great idea. It was such a proud moment when you look back and
> you think my god all the work that we have created in this area. It
> rejuvenated quite a lot of people, it really did. It was a turning point
> for many of them, who started to see what they could do and what
> they were worth, rather than being told: 'oh you come from Possil or
> Milton, and you are scum, and you are this and you are that'. The
> commitment was amazing.[53]

Susan also talked about how having other community businesses
operating in the area meant she had others to turn to when she hit a
new challenge.[54] Susan had previously organized play groups and been
an active member of her community. The support and training she

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[51] Susan McGinlay interviews with author, Glasgow, 11 May 2016.
[52] AC GCU, Social Enterprise Collection (Scotland), SECS/JP/2/2/1/2/009, *Strathclyde Community Business Limited, Annual Report* (1986/1987), 8.
[53] Susan McGinlay interviews with author, Glasgow, 11 May 2016.
[54] Susan McGinlay, Glasgow, 11 May 2016.

received as part of Possil Community Business allowed her to channel her energies in a new direction. Kleencare and the other businesses she supported generated income, provided services, and created jobs for herself and others in the community. This is the point that set the activities of community business apart from regeneration schemes and Community Partnership programmes, which have been criticized for working in silos and only paying lip service to community engagement with no real transfer of power from state to community.[55] The experience that Susan described reveals what was distinctive about community business and its capacity to generate new relationships, skills, and organizations, which connect the movement to broader trends in the changing fabric of Scottish civil society.

Recent historical research has stressed that societal action has not declined since the Second World War, but rather boundaries between the state and civic society have continued to shift, at times provoking tensions as well as collaboration.[56] The practice of building a community movement to address social problems echoed the Victorian mutualism of the co-operative movement and friendly societies that had diminished in influence in the voluntary sector in the early twentieth century but surfaced in new forms in the latter decades.[57] Alongside a commitment to mutualism, the use of state funding to develop and maintain aspects of community business resonated with developments in the voluntary sector in the 1960s, where organizations carefully positioned themselves as part of new social movements but strategically engaged with the state.[58] A key characteristic of the voluntary action in the second half of the twentieth century has been the ability of organizations to identify gaps in welfare provision and use their activity to attempt to ameliorate their effects on those disadvantaged by the lack of state provision.[59] Arguably, community business identified a 'gap' in the capacity of poor communities to generate economic activity. They provided a vehicle to ameliorate civic action fragmented by the loss of core industries associated with their localities or grow civic action in new directions in

[55] David Donnison and Alan Middleton, *Regenerating the Inner City*, 183–5; Chik Collins 'Applying Bakhtin in Urban Studies: The Failure of Community Participation in the Ferguslie Park Partnership', *Urban Studies*, 36 (1999), 73–90.

[56] Pat Thane, 'The ''Big Society'' and the ''Big State'': Creative Tension or Crowding Out?', *Twentieth Century British History*, 23 (2012), 408–29.

[57] Alison Penn, 'Social History and Organisational Development: Revisiting Beveridge's *Voluntary Action*', in Colin Rochester, George Campbell Gosling, Alison Penn, and Meta Zimmeck, eds, *Understanding the Roots of Voluntary Action: Historical Perspectives on Current Social Policy* (Brighton, 2011), 23–6.

[58] Virginia Berridge and Alex Mold, 'Professionalisation, New Social Movements and Voluntary Action in the 1960s and 1970s', in Matthew Hilton and James McKay, eds, *The Ages of Voluntarism: How We Got to the Big Society* (Oxford, 2011), 114–34.

[59] Thane, 'The ''Big Society'' and the ''Big State''', 408–29.

peripheral housing estates. Historian Michael Finlay has suggested that Scottish civil society was a myth generated in the 1990s and retrospectively applied to the 1980s to give it historical coherence.[60] The evidence presented here suggests that Scottish civil society was not mythical but evolving from new forms of collaboration between local government and community groups. Nevertheless, like voluntary organizations who could find their independence compromised because of their need to use state funding,[61] their existence was often precarious. Thus just as community business should have come of age in the late 1990s with the election of New Labour and their aspiration to forge a third way, the movement began to fragment.

Fragmentation: Community Business in the 1990s

The optimism that surrounded the community business movement in the late 1980s began to fade in the 1990s. From 1996, Scotland's regional and district councils were restructured into unitary local authorities, disturbing many of the relationships that community business practitioners had established within the previous two-tier system. Urban Aid funding, which had been an important source of capital for the movement, was also restructured.[62] The movement experienced two high-profile scandals in its well-established organizations in Ferguslie Park and Barrowfield with accusations of accounting fraud and possible connections to local drug dealing. In addition, some contemporary assessments of their work suggested a failure to live up to promises and a need for a move from a community development to a business model.[63] Criticism also came from communities themselves. In her memoirs, Easterhouse community activist Cathy McCormack did not see community business initiatives such as Heatwise as a valuable part of the struggle of tenants against poor quality, damp housing but as a group operating according to their own interests.[64] The cultural battle at the heart of enterprise culture has been as influential as its use as a vehicle for economic and institutional reform.[65] This section picks up on the cultural battle between 'individualistic' and 'collectively' based

[60] Richard Finlay, 'Thatcherism, Unionism and Nationalism: A Comparative Study of Scotland and Wales, in Jackson and Saunders, eds, *Making Thatcher's Britain*, 175, 176.

[61] Thane, 'The "Big Society" and the "Big State"', 408–29.

[62] Nicholas Fyfe and Christine Milligan, 'Space, Citizenship, and Voluntarism: Critical Reflections on the Voluntary Welfare Sector in Glasgow', *Environment and Planning A*, 35 (2003), 2077.

[63] Hayton et al., *Community Business in Scotland*.

[64] Cathy McCormack with Marian Pallister, *The Wee Yellow Butterfly* (Glendaruel, 2009), 53.

[65] Russell Keat, 'Introduction: Starship Britain or Universal Enterprise?', in Keat and Abercrombie, eds, *Enterprise Culture*, 1–17.

forms of enterprise in the 1990s and compares the fates of three community businesses to provide a reinterpretation of the legacy of community business.

A set of reports from the 1990s reflects how support was shifting away from the collectively organized and community development-based forms of community business at this time. The first unfavourable review of community business was published in March 1993 by the Centre for Planning at the University of Strathclyde. It suggested that many community businesses were not commercially viable and too reliant on local authority funds. It also regarded the community development aspects and social objectives of community business work as overcomplicating their business model.[66] Keith Hayton, one of the authors of the original report, then went on to publish further critical reviews in 1997 and 2000. Again these articles suggested that community business was costly and failing to deliver. Hayton advocated that a revised model of community business provided the only hope for the future of the movement. This was based on Tayside Community Business (Dundee) established in 1992 with an emphasis on its top-down rather than bottom-up business model. For example, Pacino, an Italian Deli, was established in 1994 in the affluent town of Broughty Ferry on the outskirts of Dundee; a handful of employees from 'social priority areas' within the city were given training there, although permanent jobs were not guaranteed.[67] Therefore, rather than aiming to develop enterprises in an area of low economic activity, the Tayside model sought to recruit residents from 'target areas' to work in the businesses established in more affluent areas of Dundee.[68] Thus there was pressure for the movement to compromise on its social aspirations and prioritize its business credentials. The battle to maintain a collective focus within the community business model can be traced by comparing the fates of three community businesses, namely, Govan Workspace, West Calder Workspace, and Greenock Employment Action Group.

Govan Workspace, established in 1981 and still operational, is arguably the movement's greatest success story and an example of community business in its purest form. Located in one of Glasgow's former ship building communities, it was Scotland's first experiment in managed workspaces. Derelict buildings in Govan were acquired and converted into small workspace units that could be let on flexible terms, with the idea of attracting small business start-ups to the area. The

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[66] Hayton et al., *Community Business in Scotland*, 102.
[67] AC GCU, Social Enterprise Collection (Scotland), SECS/JP/2/2/1/2/035, *The Whitbread Library of Community Business Profiles: Examples of Economic Self-Help in Scotland* (1996), 21.
[68] Hayton, *Delivering Promises?*, 110, 111.

Workspace also provided training and advice services for those interested in starting up businesses. The longevity of Govan Workspace has been attributed to their ability to purchase the buildings they managed and use them as a fixed assets against which they could borrow money. Despite Govan Workspace being held up as a glittering example of community business, managers Pat Cassidy and Rosemary Swords were reluctant to be labelled as part of the movement. They were much more comfortable positioning themselves as community campaigners.[69] Critical of what they described as 'the poverty industry', they have become a relatively small scale but permanent focal point for community action in area that has been 'initiatived to death'.[70] For example, more recently Govan Workspace has funded and coordinated environmental campaigns and established heritage projects in the area. The income from operating the workspaces is not what drives the organization but is a means to an end to provide the funds for their social and civic mission. The position of Cassidy and Swords provides insight into the intra-movement tensions surrounding the definition of community business and how organizations adapted to suit their particular circumstances.

The history of Govan Workspace can be contrasted with that of West Calder Workspace. West Calder is a former mining town located west of Edinburgh. Inspired by the initiative in Govan, a public meeting was called in West Calder in 1983 where Alan Tuffs and John Pearce proposed to use the disused co-op buildings in the centre of the town to create the Workspace. Like Govan Workspace, they intended to create low-cost units that could support local people to develop their own businesses. With the assistance of the West Lothian District Council and an Urban Aid grant, the first workspaces were completed by September 1984. By the late 1980s, the West Calder Workspace was run alongside West Calder Employment Opportunities Trust and West Calder Community Enterprises. These additional arms provided training and direct employment opportunities, respectively. Many of those coming to West Calder workspace had been made redundant from work in the shale mines, and then subsequently from British Leyland, and were in need of sustained support to rebuild their lives.

A report looking into the closure of the workspace cited three central critical factors. First, the annual Urban Aid programme grant of £30,000 per annum came to an end. Second, the local council then reviewed the rent it was receiving for the space and decided in the light of the significant improvements made to the buildings that it would charge a commercial rent of £25,000 per annum. Third, a national recession and

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[69] Pat Cassidy and Rosemary Swords interview with author, Govan, 11 May 2016.
[70] Pat Cassidy and Rosemary Swords, Govan, 11 May 2016.

steep rise in interest rates resulted in a decline in occupancy of the workspace.[71] The end of the Urban Aid grant had been expected by the workspace; however, the decision of the council to charge a commercial rent for the buildings was the cause of considerable upset and debate. From the perspective of the community business practitioners, they had secured appropriate funding and made improvements to the buildings that had allowed them to establish a functioning enterprise. From the council's perspective the funding that the workspace received to do this work was facilitated by the council, and therefore the project belonged to the council. Therefore at the end of the Urban Aid grant if the community business practitioners wanted to remain in the building, they had to pay the council the going rate. The complex relationship with the local council and the resulting tensions around the ownership of the workspace at the heart of the demise of West Calder Workspace illustrate a broader trend in community business at the time. When the freedom and funding that had bolstered the movement in the 1980s contracted, there was less 'wiggle room', as Tuffs described it, for sympathetic members of the local councils to back experimental projects.[72] Tuffs left and the council took over the running of the workspace.

Greenock Employment Action Group (est. 1987) based on the Inverclyde coast restructured and became Inverclyde Community Development Trust in 1996. This was not an easy transition, especially because Managing Director Jim Bristow felt the Trust was based on a top-down model of management and risked losing links with the community. He believed that the 'attrition of local government' limited the capacity of his organization for quality community development work.[73] Whereas Pat Cassidy and Rosemary Swords saw it as a matter of pride that they had not been 'chameleons',[74] Jim Bristow used the exact same term to underscore his organization's success: 'I quite liked the notion of chameleon, I thought that was pretty positive, I think that denotes a survivor'. He explained how a local Labour party candidate running for election at the Scottish Parliament at Holyrood, Edinburgh had used the term to describe his organization:

> And she said, 'I've always admired you from a distance because your organisation's almost chameleon like, it blends in but it also knows when to change. And it knows instinctively when things are about to change. You're ahead of the game, every time you're ahead of the game'. And I kind of thought, I don't know about that, I

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[71] John Pearce, *Learning from Failure: Lessons in How to Strengthen and Build the Social Enterprise Sector* (Edinburgh, 2005), 19–26.

[72] Alan Tuffs interviews with author, West Calder, 23 February 2016.

[73] Jim Bristow interviews with author, Greenock, 27 April 2016.

[74] Pat Cassidy and Rosemary Swords interview with author, Govan, 11 May 2016.

always think, you know, I'd had two pints, so I wasn't sure. But I think that's probably a fairly accurate kind of description...I wouldn't be uncomfortable with that as an epitaph.[75]

The reference to 'chameleons' arose, unprompted, in two separate oral history recordings. The different inflections of the term are again indicative of some of the points of debate within the movement. In both cases the participants used the metaphor to justify the directions in which they steered their organizations in the 1990s. Although it is worth noting that while Jim Bristow embraced the 'chameleon' description, he argued that he was doing the same work in 2016 as he had started in 1986, creating employment and training opportunities for those furthest away from the labour market. For Bristow, the demographics of his beneficiaries and routes to funding had changed but not his social mission.[76]

The trajectories of the three community businesses described above reveal the complex interplay between values and access to funding that informed the actions of these organizations. Individual community businesses drew different fault lines when it came to remaining with the community business vision or adapting to a changing funding and support landscape. Changes were apparent within the movement's infrastructure. In 1995, SCB changed to Community Enterprise in Strathclyde with a new focus on project development and contract work. While some community businesses did manage to make this transition, they tended to be the larger organizations with capacity and experience to write bids. It is in this context that social enterprise began to gain currency in Scotland. In analysing the effects of New Labour policy and their promotion of the third sector, Pete Alcock describes how there was nothing especially new about the mixing of state and market practice advocated, but the celebration of it brought it into the mainstream.[77] However community business was not one of the winners in this transition from vertical to horizontal support.[78]

The changes in the 1990s were disparagingly referred to by Tuffs as a turn to 'contract culture' that, for him, reflected a wider cultural change from collectivism to 'loads-a-money'.[79] His sentiments were echoed by Colin Roxburgh and Alan Kay, which is symptomatic of a general feeling among the practitioners that while changes in funding and the structure of local authorities did not help, the battle they lost was a cultural one. For these community workers invested in the power of the

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[75] Jim Bristow interviews with author, Greenock, 27 April 2016.
[76] Jim Bristow, Greenock, 27 April 2016.
[77] Peter Alcock, 'Voluntary Action, New Labour and the "third sector"', *The Ages of Voluntarism: How We Got to the Big Society* (Oxford, 2011), 164.
[78] Alcock, 'Voluntary Action, New Labour and the "third sector"', 164.
[79] Alan Tuffs interviews with author, West Calder, 23 February 2016.

collective their ideas appeared to be swept aside by a rising tide of individualism. However recent historical analysis has revealed just how hard Thatcher had to work to fight 'powerful trends which appeared to be entrenching socialist collectivism'.[80] This reinterpretation of the relationship between individualism and collectivism in the late twentieth century provides the opportunity to offer an alternative interpretation of the legacy of community business. The power of some organizations to hold on to their original structure and values and others to reposition themselves and continue to influence the sector should be recognized. They provide important points of continuity amid the change.

Conclusion

The latest census of social enterprise in Scotland, published in 2017, recorded that the three most widely reported obstacles that social enterprises identify as limiting their potential are lack of time for leaders to develop trading potential, insecure or declining grant funding, and increasing costs. These findings were consistent with an earlier social enterprise census published in 2015.[81] The scale of social enterprise, in terms of the number of operational organizations, 5,600, with an estimated total annual income of £3.8 billion illustrates the growth of the sector since the 1980s. However, the challenge of balancing trading opportunities with a social mission and accessing appropriate funding resonates with the oral history testimony of those worked in the community business movement 40 years ago. Beyond these perennial challenges, the legacy of the community business movement is visible in the infrastructure of Scottish social enterprise today. Long-standing organizations such as Community Enterprise in Scotland and Senscot have provided a strong lobbying force that has ensured that Scottish Government policy on social enterprise conforms to the Voluntary Code of Practice for Social Enterprise in Scotland, which maintains a tighter definition of social enterprise than in England, particularly around the redistribution of profits.[82] This limits the capacity for organizations to distribute profits to owners, shareholders, or investors, instead reinvesting them in the business or the community.

However, what remains visible should not be the ultimate measure of the movement's success. What is more interesting from a historical

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[80] Jon Lawrence and Florence Sutcliffe-Braithwaite, 'Margaret Thatcher and the Decline of Class Politics', in Jackson and Saunders, eds, *Making Thatcher's Britain*, 147.

[81] *Social Enterprise in Scotland: Census 2017*, <http://www.socialenterprisescotland.org.uk/files/4de870c3a3.pdf> accessed 1 November 2017.

[82] <https://senscot.net/resources/se-code/: accessed 07/03/2018>

perspective is not the ability to draw a direct line between community business in the 1980s and social enterprise today but the elements of community business that have fallen from view, which provide less tangible measures of success and require some work to recover. The use of 'enterprise' by the community business movement was not an endorsement of neo-liberal social policy that sought to promote private enterprise as a means to reduce the reach of the state. Indeed the success of community businesses depended on their ability to operate totally independently, or, more often, maintain a good working relationship with local authorities, as they negotiated the changing funding landscape. Where Thatcher's enterprise culture sought to reinvigorate the private sector whose spirit had been quashed by an overreaching and overbearing state, the work of Pearce and his colleagues exposes the fallacy of a simple public versus private dichotomy that Thatcherism sought to present and exploit. They worked in areas where there was an absence of any market-driven local economy, and the state was failing to meet people's basic needs but advocated the need for both market and state activity to address poverty. In community business the turn to 'enterprise' emerged out of, rather than in opposition to, a social democratic political culture.

The pioneers of the community business movement drew upon a rich heritage of efforts to trade in ways that prioritized social good, and further research is required to draw out more thoroughly how various regional enterprise cultures overlapped and their relationship to earlier comparable state interventions in the 1930s.[83] Community business advanced an innovative model for community development in a time of acute social and economic crisis. The use of market principles that marked the community business out from other voluntary organizations has been controversial and has perhaps obscured the commonalities that the movement shared with the voluntary sector. Like their charitable counterparts, community business captured a zeitgeist for community action in the 1970s and identified a gap in the market of state provision in the capacity of poor communities to generate economic activity. What was truly distinctive about community business was their community outreach work and their attempts to build a model that would transfer power to communities to build and run organizations and services needed in their area.

This distinctiveness also provides the key to understanding the broader relevance of the movement for Scottish social history. This article has focused on how the loss of work and attempts to address the social and economic effects of unemployment prompted new directions

[83] Bernard Harris, 'Responding to Adversity: Government-Charity Relations and the Relief of Unemployment in Interwar Britain, *Contemporary Record*, 9 (1995), 529–61.

in civic action exemplified by the community business movement. Changing patterns of leisure, church attendance, and cultural activity are also important reference points in this history,[84] because they point to the resources people drew upon at a time of crisis. At their best community businesses had the capacity to generate new relationships, skills, and organizations, providing a vehicle to ameliorate civic action fragmented by the loss of core industries associated with their localities or grow civic action in new directions in peripheral housing estates. Their vision of an alternative enterprise culture was never fully realized but is indicative of the changing fabric of Scottish civil society as communities, professionals, and local authorities sought to recover from the effects of deindustrialization.

[84] Callum G. Brown, 'Charting Everyday Experience', in Callum G. Brown and Lynn Abrams, eds, *A History of Everyday Life in Scotland* (Edinburgh, 2010), 24, 25; Angela Bartie 'Culture in the Everyday: Art and Society', in Brown and Abrams, eds, *A History of Everyday Life*, 206–27.